
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: All Rural Electric Membership Cooperatives (REMC'S)
FROM: Keilah Folkertsma, Utility Specialist
RE: Special Instructions for REMC'S for Completing Schedule A-5 - REMC Schedule
DATE: January 15, 2013

In addition to the Annual Report (Form UD-45), REMC's shall submit a complete copy of their RUS Form 7, including the Statement of Operations, Changes in Utility Plant, and Balance Sheet for the month and year ending December 31, 2012. If an Annual Report to Members is prepared, it should accompany the Form UD-45.

REMC's that are reporting depreciation computed on a federal tax basis should complete Schedule A per the instructions in the enclosed General Filing Instructions Memorandum. REMC's should not complete Schedule A-5 if the claimed depreciation is on a federal tax basis.

Instructions for Completing Schedule A-5

In lieu of reporting depreciation on a federal income tax basis, REMC's may complete Schedule A-5, the REMC Schedule.

The Schedule A-5 is used to compute the true tax value of the cooperative's property. This schedule replaces the former REMC Worksheet. Specific instructions by line number are as follows:

1. Enter the total cost of utility plant in service at December 31, 2012.
2. Enter the total cost of non-utility property at December 31, 2012.
3. Enter the total cost of plant held for future use at December 31, 2012.
4. Add Lines 1, 2, and 3.
5. Enter the total cost of locally assessed real property (except R/O/W, easements and towers) included in the utility plant in service amount shown on Line 1 above.
6. Enter the total cost of locally assessed real property (except R/O/W, easements and towers) included in the non-utility property amount shown on Line 2 above.

7. Enter the total cost of locally assessed real property (except R/O/W, easements and towers) included in the plant held for future use amount shown on Line 3 above.
8. Add Lines 5, 6, and 7.
9. Subtract Line 8 from Line 4.
10. Enter the total amount of interest capitalized for book purposes that would not have been capitalized for federal income tax purposes if the cooperative had been required to file federal income tax returns. Note: If your cooperative has not capitalized interest, enter zero (-0-) and proceed to the next line.
11. Subtract Line 10 from Line 9.
12. Enter the total amount of accumulated depreciation applicable to personal property at December 31, 2012.
13. Enter additional depreciation in lieu of federal tax depreciation from letter D at bottom of schedule A-5.
14. Enter accumulated depreciation for locally assessed real property.
15. Subtract Line 14 from the sum of Lines 12 and 13.
16. Enter Gross Additions credit from Schedule A-1.
17. Add Line 15 and Line 16.
18. Subtract Line 17 from Line 11.
19. Multiply Line 11 by thirty percent (30% or .30).
20. Enter the greater of Lines 18 or 19.
21. Enter the value of Construction in Process from Schedule A-1.
22. Please attach a detailed explanation of any entry made on Line 22.
23. Line 20 plus Lines 21 and 22, if applicable. This is the true tax value of the cooperative's distributable property. Carry the result to Line 37 of Schedule A.

Schedule A - Computation of Assessment

The Schedule A is used to compute the true tax value of the cooperative's utility property. REMC's choosing to report depreciation on a federal income tax basis shall complete all lines of Schedule A. Schedule A-5 need not be completed.

However, REMC's using book depreciation should complete Schedule A-5. If the value of the cooperative's utility plant in service was computed on Schedule A-5, the cooperative must enter values only on Lines 37, 42, and 43. Line 41 should be filled out if applicable.

Schedule A-2 - Leased Property

Report all property held, possessed, or controlled but not owned. Schedule I would include all leased distributable property. The value shown in Schedule I is to be included on Schedule A-5.

If you have any questions, please contact the Utility Specialist at (317) 232-3756 or e-mail at kfolkertsma@dlgf.in.gov.